



April 1, 2003

---

---

# ENGROSSED SENATE BILL No. 67

---

DIGEST OF SB 67 (Updated March 26, 2003 7:17 PM - DI 92)

**Citations Affected:** IC 6-2.5.

**Synopsis:** Sales tax collection and call centers. Provides that a person is not required to register as a retail merchant or to collect or remit the state sales or use tax in Indiana if the sole contact with Indiana is a contract with a call center in Indiana that provides telephone call services to the person. Provides that property owned or leased by the person and located on the call center's premises is not considered, and does not create, a place of business maintained by the person in Indiana as long as the property is not held for sale or shipment in response to an order received by the call center. Provides that for purposes of sales and use tax collection and remittance, the call center operator is not considered to be an agent of the person.

**Effective:** July 1, 2003.

---

---

**Jackman, Kenley**

(HOUSE SPONSORS — PFLUM, HOFFMAN)

---

---

January 7, 2003, read first time and referred to Committee on Finance.  
February 27, 2003, reported favorably — Do Pass.  
March 3, 2003, read second time, amended, ordered engrossed.  
March 4, 2003, engrossed. Read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

March 13, 2003, read first time and referred to Committee on Ways and Means.  
March 31, 2003, reported — Do Pass.

---

---

C  
o  
p  
y

ES 67—LS 6129/DI 101+



April 1, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## ENGROSSED SENATE BILL No. 67

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-2.5-8-12 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2003]: **Sec. 12. (a) Notwithstanding any other provision of this**  
4 **article, the following do not cause a person that has contracted**  
5 **with a call center operator for a telephone service to have a duty to**  
6 **register as a retail merchant or to collect or remit the state gross**  
7 **retail or use tax imposed by this article:**

8           **(1) The ownership or leasing by the person of tangible or**  
9 **intangible property that is:**

10           **(A) located at the Indiana premises of the call center**  
11 **operator;**

12           **(B) used to provide or assist directly with the provision of**  
13 **a telephone service as described in subsection (c); and**

14           **(C) not held for sale, shipment, or distribution in response**  
15 **to orders received as a result of a telephone service**  
16 **provided by the call center operator.**

17           **(2) The activities of any kind performed by or on behalf of the**

ES 67—LS 6129/DI 101+



1 person at the Indiana premises of the call center operator.

2 (3) The activities of any kind performed by the call center  
3 operator in Indiana for or on behalf of the person.

4 (b) Tangible or intangible property that is:

5 (1) owned or leased by a person that has contracted with a call  
6 center operator for a telephone service;

7 (2) located at the premises of the call center operator;

8 (3) used to provide or assist directly with the provision of a  
9 telephone service as described in subsection (c); and

10 (4) not held for sale, shipment, or distribution in response to  
11 orders received as a result of a telephone service provided by  
12 the call center operator;

13 shall not be considered to be, or to create, an office, a place of  
14 distribution, a sales location, a sample location, a warehouse, a  
15 storage place, or other place of business maintained, occupied, or  
16 used in any way by the person. For purposes of this section, a call  
17 center operator with which a person has contracted for a telephone  
18 service shall not be considered to be in any way a representative,  
19 an agent, a salesman, a canvasser, or a solicitor for the person.

20 (c) For purposes of this section, a telephone service includes  
21 soliciting orders by telephone, accepting orders by telephone, and  
22 making and receiving any other telephone calls.

C  
o  
p  
y



SENATE MOTION

Mr. President: I move that Senator Kenley be added as second author of Senate Bill 67.

JACKMAN

C  
o  
p  
y



## COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 67, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 67 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 15, Nays 0.

C  
o  
p  
y

ES 67—LS 6129/DI 101+



## SENATE MOTION

Mr. President: I move that Senate Bill 67 be amended to read as follows:

Page 1, line 9, delete "located at the Indiana premises of the call" and insert "**that is:**

**(A) located at the Indiana premises of the call center operator;**

**(B) used to provide or assist directly with the provision of a telephone service as described in subsection (c); and**

**(C) not held for sale, shipment, or distribution in response to orders received as a result of a telephone service provided by the call center operator."**

Page 1, delete line 10.

Page 1, line 17, delete "and".

Page 2, between lines 1 and 2, begin a new line block indented and insert:

**"(3) used to provide or assist directly with the provision of a telephone service as described in subsection (c); and**

**(4) not held for sale, shipment, or distribution in response to orders received as a result of a telephone service provided by the call center operator;".**

(Reference is to SB 67 as printed February 28, 2003.)

SIMPSON

C  
O  
P  
Y



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 67, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 25, nays 0.

C  
o  
p  
y

